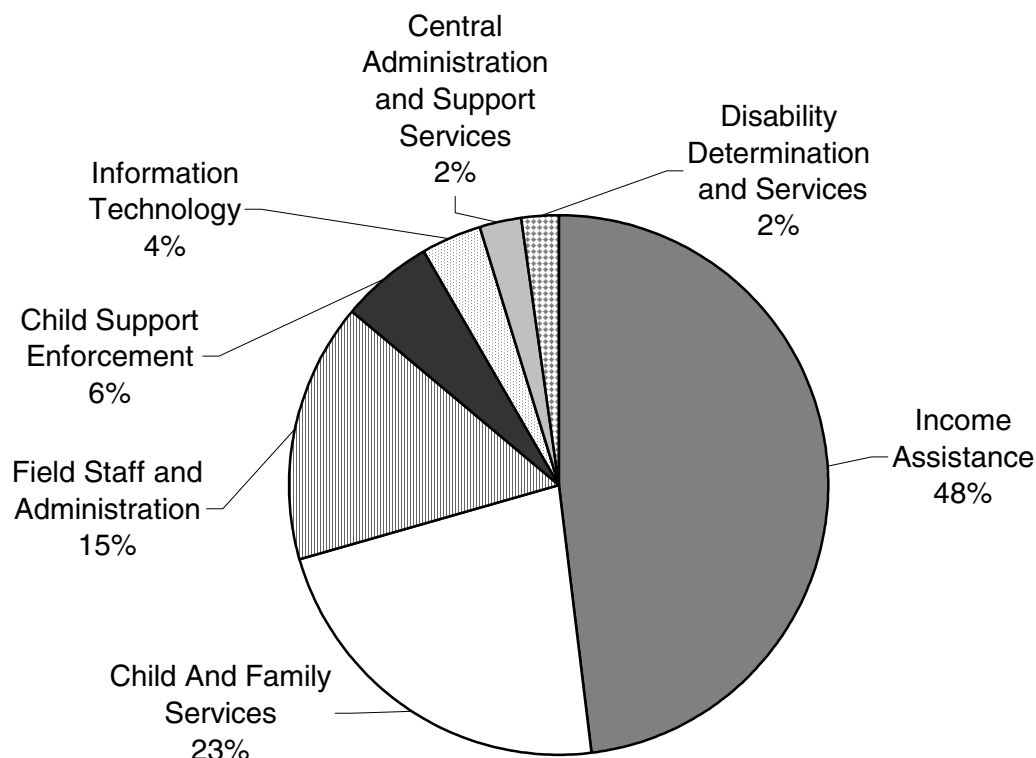


Family Independence Agency

The Family Independence Agency (FIA) assists individuals and families to meet financial, medical, and social needs; helps people move toward self-sufficiency; and works to prevent abuse, neglect, and exploitation of children and vulnerable adults. FIA directs the operations of public assistance and service programs through a network of Family Independence Agency offices in every county in Michigan. The Governor's proposed budget for fiscal year 2004 recommends total funding of \$3.9 billion, of which \$1.1 billion is general fund.

Nearly Half of the Family Independence Agency Budget Supports Income Assistance Programs for Low Income Families and Individuals



Total: \$3.9 Billion

Department Priorities

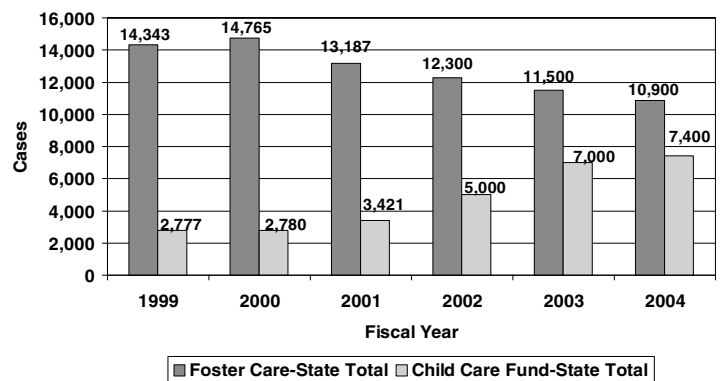
- Safety: Protection of abused and neglected children, vulnerable adults and communities.
- Well Being: Meet basic needs for food, shelter, health care, housing and utilities.
- Permanency: Ensure the integrity of families, and stability for children in their living situations.
- Independence: Offer temporary assistance to needy families while helping them achieve self-sufficiency.

Family Independence Agency Budget Highlights

- ◆ The fiscal year 2004 Executive Budget includes \$334.9 million for the Family Independence Program, supporting 69,500 cases. Caseloads are expected to flatten in fiscal year 2003, followed by a slight decline in fiscal year 2004 as the economy recovers.
- ◆ The Executive Budget maintains the State Disability Assistance Program as a safety net for disabled persons who are unable to work, but who do not qualify for federal Social Security Income benefits. The \$24.0 million budget funds a projected caseload of 8,400.
- ◆ The Governor's budget includes \$833 million in federal funds for the Food Assistance Program, to increase the food purchasing power of low-income households. In addition, the budget invests \$12.7 million in new general fund dollars to avoid federal penalties and improve the accuracy and integrity of Food Assistance Program administration.
- ◆ The budget recognizes increases in Michigan's Low Income Home Energy Assistance and Weatherization federal awards, with combined fiscal year 2004 budgets totaling over \$132 million. These funds will support the home heating credit, energy-related crisis intervention payments, and weatherization activities to make homes more energy efficient.
- ◆ The fiscal year 2004 Executive Budget includes \$41.4 million for emergency assistance to individuals and families. While maintaining important health and safety nets such as rent payments, home repairs, and assistance with utility bills, the Governor's budget recommends a 15 percent reduction in state payment rates for burial services.
- ◆ Funding for safe, quality child day care services for low-income families is recommended at \$471.8 million, anticipating a caseload of 66,300 for fiscal year 2004. The budget assumes \$4.4 million in savings by limiting the maximum payment for day care to 100 hours per pay period, but does not make any reductions in rates or eligibility for services.
- ◆ The state can no longer afford to sustain the optional \$5.0 million Transitional Work Support program which provides medical coverage for families who become self-sufficient in the first one or two months after going off public assistance. These families are not currently eligible for Medicaid. However, a Medicaid waiver will be sought to provide medical coverage for these families under that program.
- ◆ Maintenance and operation of the Michigan Child Support Enforcement System, which is scheduled to be implemented in all 83 counties and federally certified by September 30, 2003, is budgeted at \$70.0 million. The full implementation of the system will give every county access to the latest and best tools available for locating parents and enforcing child support orders, with the goal of getting children the support to which they are entitled.

- ◆ The foster care program serves children who have been made wards of the state by county courts, as well as court wards eligible for federal Title IV-E funding. The Child Care Fund serves children classified as county wards by the courts. In fiscal year 2000, Wayne County initiated an effort to classify more children as county wards to deliver services through a community-based approach. As a result, the cost of care has been shifting from the foster care appropriation to the Child Care Fund appropriation.
- ◆ The Governor's fiscal year 2004 budget offers opportunities for all counties to pilot a service delivery approach that encourages more community-based alternatives to out-of-home placement. To accomplish the desired result, the Family Independence Agency will make a \$36.0 million Temporary Assistance for Needy Families (TANF) federal claim for community-based services funded by the Child Care Fund. In turn, a portion of the general fund savings generated by the federal claim will be shared with participating counties through an increase in the Child Care Fund reimbursement rate for alternatives to out-of-home care, from 50 percent to 75 percent. To free up federal funds to make the intended claim, the budget redirects \$12.5 million in funding from several pilot programs (Before and After School Pilot Programs, Teenage Parent Counseling, Family Preservation and Prevention Services, the Fatherhood and Marriage Initiatives, and the Enhanced Kinship Care Pilot) to the new Enhanced Child Care Fund Reimbursement for Community Programs line item. Counties will have the option to continue funding these types of programs through the Child Care Fund.

Foster Care Cases Decline While Child Care Fund Cases Continue to Grow



- ◆ The Governor's budget modifies foster care administrative rates to make them more uniform, thereby saving \$453,000. No other reductions to foster parent rates or payments to child caring agencies are proposed.
- ◆ The Adoption Subsidy program is funded at \$219.4 million, including \$16.2 million for anticipated caseload increases due to the department's continued successful efforts to find permanent adoptive homes for special needs children. To contain costs, the Executive Budget recommends limiting adoption subsidy to adoptees under the age of 19, rather than age 21, saving \$3.6 million.

Fiscal Year 2004 Governor's Recommendation
Family Independence Agency
(\$ in Thousands)

	FY03 Enacted	FY03 Current Law	FY04 Recommended	% Change
GF/GP	\$1,176,991.3	\$1,115,085.1	\$1,102,339.4	-6.3%
All Funds	\$4,074,490.5	\$4,014,878.3	\$3,945,691.3	-3.2%

Program	GF/GP	All Funds
INCOME ASSISTANCE		
Food Assistance Program	\$0.0	\$833,011.2
Day Care Services	\$182,317.6	\$471,794.0
Family Independence Program	\$157,789.5	\$334,899.6
Energy and Weatherization Assistance	\$0.0	\$132,408.5
SSI State Supplementation	\$59,668.4	\$59,668.4
State Emergency Relief	\$27,331.8	\$41,408.2
State Disability Assistance	\$18,940.3	\$24,045.1
CHILD AND FAMILY SERVICES		
Purchased Care and Supervision of Youth	\$190,549.1	\$420,024.3
Adoption Services and Subsidies	\$89,921.7	\$233,487.3
Juvenile Justice Services	\$37,160.2	\$85,028.7
Family Preservation and Prevention Services	\$244.9	\$66,285.6
Community Services Block Grant	\$0.0	\$24,350.0
Employment and Training Support Services	\$725.1	\$19,689.1
Domestic Violence and Rape Prevention Services	\$1,892.7	\$16,076.3
Refugee Assistance	\$0.0	\$12,642.3
Other Child and Family Services	\$6,379.8	\$18,735.3
FIELD STAFF AND ADMINISTRATION	\$226,437.3	\$607,199.9
CHILD SUPPORT ENFORCEMENT	\$18,126.3	\$217,946.3
INFORMATION TECHNOLOGY	\$41,200.6	\$144,348.8
CENTRAL ADMINISTRATION AND SUPPORT SERVICES	\$36,529.1	\$91,565.6
DISABILITY DETERMINATION AND SERVICES	\$7,125.0	\$91,076.8
Total FY 2004 Recommendation	\$1,102,339.4	\$3,945,691.3